CITY OF MONCTON

GENERAL SECTION

FINANCIAL STATEMENTS

DECEMBER 31, 1989

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AUDITORS' REPORT

His Worship the Mayor
and Members of the City Council

We have examined the revenue fund, capital fund and related reserve fund balance sheets of the City of Moncton as at December 31, 1989, the revenue fund statement of revenue, expenditure and surplus, the statement of investment in capital assets and the statement of capital financing for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion these financial statements present fairly the financial position of the City as at December 31, 1989 and the results of its operations for the year then ended in accordance with generally accepted municipal accounting principles applied on a basis consistent with that of the preceding year.

Doane Raymond

Moncton, New Brunswick
April 25, 1990

Chartered Accountants

CITY OF MONCTON

REVENUE FUND

STATEMENT OF REVENUE, EXPENDITURE AND SURPLUS

YEAR ENDED DECEMBER 31, 1989

	1989		1988
	Budget	Actual	Actual
Revenue			
Taxes	$28,717,833	$28,717,833	$26,114,545
Unconditional transfers from Provincial Government	16,017,614	16,017,614	16,201,157
Other revenue from own sources	2,972,047	3,159,443	3,195,709
Transfer of surplus	58,914	58,914	6,582
	$47,766,408	47,953,804	45,517,993
Expenditures			
General government	$ 5,201,310	5,308,362	5,073,148
Protection	16,768,115	16,278,018	15,364,321
Transportation	8,167,990	8,339,478	7,813,668
Environmental health and development	2,040,107	1,991,931	1,928,190
Recreation and culture	7,137,279	7,172,913	6,544,086
Fiscal	7,951,607	8,144,086	7,578,477
Transfers to capital fund		175,000	493,000
	47,266,408	47,409,788	44,794,890
Excess of revenue over expenditure		544,016	723,103
Appropriations to reserve and trust funds (Note 2)	500,000	500,000	666,400
	$47,766,408		
Surplus for the year		44,016	56,703
Surplus, beginning of year		115,617	65,496
		159,633	122,199
Transfer to current budget		(58,914)	(6,582)
Surplus, end of year		$ 100,719	$ 115,617

CITY OF MONCTON

REVENUE FUND BALANCE SHEET

DECEMBER 31, 1989

ASSETS	1989	1988
Cash and term deposits	$ 3,450	$ 3,941,890
Receivables (Note 3)	3,399,590	2,906,106
Receivable from		
Capital fund	3,630,781	5,411,613
Codiac Transit Commission	566,845	520,985
City Hall development fund		19,513
Water and Light revenue fund	775,635	2,958,221
Sinking funds	21,432	
Inventory	756,972	626,902
Unamortized debenture discounts	320,731	334,491
	$9,475,436	$16,719,721

LIABILITIES AND SURPLUS		
Bank indebtedness	$ 562,036	$ 6,431,037
Payables and accruals (Note 5)	5,563,738	7,392,030
Payable to		
City Hall development fund	42	
Snow removal reserve trust fund	935,681	825,719
Reserve for land development	849,014	694,030
Machinery and equipment depreciation trust fund	1,420,707	1,197,202
Maritime Coliseum Agrena Commission	43,499	37,966
Sinking funds		26,120
Surplus (Page 2)	100,719	115,617
	$9,475,436	$16,719,721

Commitments (Note 9)

Contingencies (Note 10)

ON BEHALF OF THE COUNCIL

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CITY OF MONCTON

CAPITAL FUND BALANCE SHEET

DECEMBER 31, 1989

ASSETS	1989	1988
Receivables (Note 4)	$ 231,510	$ 281,510
Property and equipment (Note 6)	131,202,372	124,385,456
Industrial Park development costs		273,942
	$131,433,882	$124,940,908

LIABILITIES AND EQUITY

Payable to the revenue fund	$ 3,630,781	$ 5,411,613
Deferred capital contributions (Note 8)	197,500	197,500
Long term debt (Note 7)	34,635,656	33,959,425
	38,463,937	39,568,538
Investment in capital assets (Page 5)	92,969,945	85,372,370
	$131,433,882	$124,940,908

ON BEHALF OF THE COUNCIL

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CITY OF MONCTON

CAPITAL FUND

STATEMENT OF INVESTMENT IN CAPITAL ASSETS

YEAR ENDED DECEMBER 31, 1989

	1989	1988
Balance, beginning of year	$85,372,370	$72,341,244
Add:		
Maturity of sinking fund issue	2,000,000	
Debt retired	3,677,269	3,441,121
Contributions - Federal/Provincial Governments		
Designated highways recovery	550,000	300,000
Magnetic Hill project	80,331	296,606
Traffic signals and crossings	9,410	113,801
Main Street program - MCBDC	52,430	109,338
Magnetic Hill information board - ACOA		38,696
Caledonia Industrial Park expansion	106,412	
Centennial Park depot labour grant	19,031	
City's contributions		
Capital out of current funds	175,000	493,000
Transfers from Machinery and Equipment reserve	499,001	680,979
Transfer from City Hall Development fund		650,000
Transfer from Reserve for Land Development		64,000
Moncton Industrial Development Ltd.		
Contribution to Caledonia Park	173,707	
Resurgo's contributions		
Transfer of assets and related Federal/ Provincial funding		6,100,773
Proceeds on sale of property for library use		200,000
Other		
Local improvement and branch sewer recoveries	104,886	287,692
Sale of property	75,000	255,120
Other organizations	75,098	
Balance, end of year	$92,969,945	$85,372,370

CITY OF MONCTON

CAPITAL FUND

STATEMENT OF CAPITAL FINANCING

YEAR ENDED DECEMBER 31, 1989

	1989	1988
Funds provided by		
Capital contributions from other governments	$ 817,614	$ 858,441
Local improvement and branch sewer recoveries	104,886	287,692
City current fund	175,000	493,000
Kiwanis Club of Moncton Inc.	50,000	
Sale of property	75,000	255,120
Debentures issued	6,353,500	2,000,000
Other organizations	75,098	
Transfer from Machinery and Equipment reserve	499,001	680,979
Transfer from City Hall Development fund		650,000
Contribution from MID Park Development fund	173,707	
Appropriations from revenue fund		
Debt retirement	3,677,269	3,441,121
Sinking fund '89 proceeds	2,000,000	
Transfer from Reserve for Land Development		261,500
Transfer development costs Caledonia Industrial Park to Capital assets	273,942	
Federal/Provincial funding re transfer of assets from Resurgo Inc.		6,100,773
Increase in borrowing from current fund		3,139,928
	$14,275,017	$18,168,554
Funds applied to		
Purchase and construction of capital assets		
Permanent streets	$ 2,469,084	$ 8,863,125
Moveable equipment	1,147,358	785,950
Real estate	3,065,985	3,971,068
Storm and branch sewers	134,489	723,911
	6,816,916	14,344,054
Development costs Caledonia Industrial Park		273,942
Repayment of mortgages		68,220
Redemption of long term debt	3,677,269	3,441,121
Maturity of sinking fund issue	2,000,000	
Transfer of appropriation accounts to current fund		41,217
Decrease in borrowing from current fund	1,780,832	
	$14,275,017	$18,168,554

CITY OF MONCTON
REVENUE AND CAPITAL FUNDS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1989

1. Significant accounting policies

(a) Revenue recognition

Major sources of revenue are recorded on an accrual basis.

(b) Expenditure recognition

Expenditures are recorded on an accrual basis. Outstanding commitments for goods and services relating to the current year are accrued at the balance sheet date.

Principal repayments of long term debt are recorded as expenditures when repaid. Interest on long term debt is recorded on an accrual basis. Debenture discounts are written-off on a straight line basis over the terms of the various issues.

(c) Inventories

Inventories are valued at the lower of cost and net realizable value.

(d) Fixed assets

Capital assets and projects in progress are recorded at cost. The City does not record depreciation on its property and equipment consistent with Municipal guidelines. Funds received through capital assistance programs, cost sharing arrangements or loan forgiveness are treated as additions to investment in capital assets, in addition to the principal repayments of long term debt.

(e) Prior year's operating results

Section 89 of the Municipalities Act of New Brunswick requires that the surplus or deficit for a given fiscal year be included in the budget of the second ensuing year.

(f) Financing

It is the policy of the City to charge interim financing costs for annual capital construction projects to current fund fiscal expenditures.

2. Appropriations to reserve and trust funds

	1989	1988
Machinery and equipment depreciation trust fund:		
(a) Amended by-law 312-10/88 - December 21, 1988	$	$666,400
(b) Amended by-law 312-12/89 - December 19, 1989	500,000	_____
	$500,000	$666,400

CITY OF MONCTON

REVENUE AND CAPITAL FUNDS

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 1989

3. Receivables - Revenue Fund

	1989	1988
Sewer construction improvements	$ 85,293	$ 87,117
Local improvements	190,627	504,603
Provincial government	1,360,582	317,137
Moncton Industrial Development - Loan	453,715	572,231
Moncton Industrial Development - Caledonia Park	173,707	
Federal government	20,185	520,230
Magic Mountain Water Park Ltd. - current	99,140	274,493
Magic Mountain Water Park Ltd. - deferred	245,062	
Other - various	771,279	630,295
	$3,399,590	$2,906,106

4. Receivables - Capital Fund

The City of Moncton entered into an agreement with the Kiwanis Club of Moncton Inc. in 1984 to pay the net cost to construct the Centennial Beach project. The Kiwanis Club agreed to reimburse the City for the net cost of $356,510 which was to be repaid over a period of 5 years and the City had agreed to extend the period of repayment a further 5 years if necessary. Payments received to December 31, 1989 aggregate $125,000 leaving a balance receivable at December 31, 1989 of $231,510. Subsequent to year end an additional $5,000 was received.

5. Payables and accruals - Revenue fund

	1989	1988
Accounts payable and commitments	$4,105,427	$5,283,823
Contractors' holdbacks	663,650	1,274,245
Interest on long term debt	727,994	769,633
Local improvement deposits	66,667	64,329
	$5,563,738	$7,392,030

6. Property and equipment, at cost

	1989			1988
	Fully Funded	To Be Funded By Debentures	Total	Total
Permanent streets	$ 74,418,013	$1,285,298	$ 75,703,311	$ 73,234,227
Equipment	4,145,165	327,690	4,472,855	3,325,497
Real estate	30,399,884	1,840,031	32,239,915	29,173,930
Storm sewers and branch sewers	18,642,539	143,752	18,786,291	18,651,802
	$127,605,601	$3,596,771	$131,202,372	$124,385,456

CITY OF MONCTON

REVENUE AND CAPITAL FUNDS

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 1989

7. Long term debt

	1989	1988
Debenture debt		
Serials and certificates	$30,376,276	$27,610,676
Sinking funds	3,653,800	5,653,800
	34,030,076	33,264,476
Other		
Winter Capital Project Fund	317,925	368,353
Department of Regional Industrial Expansion	287,655	326,596
	$34,635,656	$33,959,425

Effective January 1, 1982 the debenture debt, which related to the capital assets transferred to the Codiac Transit Commission, was also transferred.

Effective January 1, 1983 the debenture debt, which related to the capital assets transferred to the Maritime Coliseum - Agrena Commission, was also transferred.

The various long term debt obligations of the Commissions remain the ultimate responsibility of the City of Moncton.

Principal payments required during the next five years are as follows:

1990 - $4,094,328 1991 - $4,066,255 1992 - $3,755,694
1993 - $3,950,861 1994 - $4,046,994

The sinking fund issue of March 1, 1982 is being provided for annually in the amount of $98,010 and is included in the principal payments required during the next five years.

8. Deferred capital contributions

In 1988 Council authorized the release of $197,500 from the Reserve for Land Development to purchase a tract of land. The purchase has still not been completed by the 1989 year end and these funds remain designated for this purpose.

9. Commitments

The City is obligated under a long term lease agreement to pay minimum annual rentals of $269,100 until September 30, 2011 plus escalation costs and taxes. In 1989 this additional amount approximated $185,000.

CITY OF MONCTON

REVENUE AND CAPITAL FUNDS

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 1989

10. Contingencies

The City is contingently liable for debentures and other capital debt reflected on the capital funds of the Water and Light Department, the Maritime Coliseum- Agrena Commission and the Codiac Transit Commission.

11. Liability for vested sick leave benefits

The liability of the City of Moncton for unused sick benefits which have vested with staff and which are to be paid out to terminating employees approximates $5,200,000 at December 31, 1989.

It has been a policy of the City to provide for $85,000 per year in its operating budget since 1983 towards funding of unused sick benefits paid out on resignations and retirements. The accumulated provision at the end of the year stands at $145,214.

12. Actuarial evaluation - Employees Pension Fund

The most recent evaluation of the Pension Fund by the City's actuaries was carried out as at December 31, 1987. The valuation showed that, based on the stated actuarial assumptions, the book value of the Fund together with future contributions and expected earnings was substantially above the expected benefits payable at that time. This funding excess as presented in the actuary's report dated June, 1988 was determined to be $2,974,200.

13. The 1989 budget figures presented on pages 2, 18, 19 and 20 reflect those reallocations approved by the City Manager and reported to Council throughout the year. Gross revenues and expenditures are reflected in the statement of revenue, expenditure and surplus. To conform with the current year's presentation, the 1988 expenditures on page 2 have been reclassified to provide for the separate disclosure of transfers to the capital fund.

CITY OF MONCTON

SINKING FUND - '89

BALANCE SHEET

DECEMBER 31, 1989

ASSETS	1989	1988
Cash and term deposits	$ 90,472	$2,813,283
Accrued interest receivable	22,180	37,931
Receivable from City of Moncton revenue fund		22,603
Investments, at par (Page 13)	597,500	964,500
	$ 710,152	$3,838,317

EQUITY

Equity, beginning of year	$3,838,317	$3,486,917
Add: Interest earned	371,835	351,400
Less: November 1, 1989 maturity	(3,500,000)	
Equity, end of year	$ 710,152	$3,838,317

This sinking fund was originally established to finance repayment of a $3,500,000 sinking fund issue which matured November 1, 1989.

The reserve equity represents a surplus of $710,152 as at December 31, 1989 and any withdrawal from the fund requires the authorization of the Commissioner of Municipal Affairs and is to be used for capital purposes.

ON BEHALF OF THE COUNCIL

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CITY OF MONCTON

SINKING FUND - '97

BALANCE SHEET

DECEMBER 31, 1989

ASSETS	1989	1988
Cash and term deposits	$ 269	$437,366
Receivable from City of Moncton revenue fund		3,516
Accrued interest receivable	23,819	16,669
Investments, at par (Page 13)	1,194,000	514,000
	$1,218,088	$971,551
LIABILITIES		
Payable to City of Moncton revenue fund	$ 21,432	$
EQUITY		
Equity, beginning of year	971,551	780,560
Add:		
Annual appropriation	107,300	107,300
Interest earned	117,805	83,691
	1,196,656	971,551
Equity, end of year	$1,218,088	$971,551

This sinking fund was established to finance repayment of a $4,000,000 sinking fund issue maturing, March 1, 1997.

The reserve equity includes a surplus of $38,108 in excess of the actuarial requirement of $1,179,980 as at December 31, 1989.

ON BEHALF OF THE COUNCIL

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CITY OF MONCTON

SINKING FUNDS

SCHEDULES OF INVESTMENTS

DECEMBER 31, 1989

Sinking Fund '89

	Interest Rate	Maturity Date	Par Value
Debentures			
City of Campbellton	13 1/4	December 28, 1992	$ 30,000
City of Campbellton	13 1/4	December 28, 1991	20,000
City of Dartmouth	9 1/2	March 1, 1990	14,000
City of Fredericton	9 3/4	March 1, 1990	40,000
City of Fredericton	9 3/4	March 1, 1991	40,000
Village of St. Joseph	9 3/4	December 15, 1990	59,000
Village of St. Joseph	9 3/4	December 15, 1991	50,000
La Hetriere-McGinley Sewage Commission	11 (1)	February 8, 1994	94,500
			347,500
Certificates of Indebtedness			
City of Moncton	17 1/2	March 1, 1997	250,000
			$ 597,500

Sinking Fund '97

Certificates of Indebtedness			
City of Moncton	9 - 10%	December 1, 1996	$ 132,000
City of Moncton	9 1/2 (1)	April 1, 1994	150,000
City of Moncton	10 3/4	July 3, 1994	136,000
City of Moncton	11 1/2 (1)	July 3, 1996	76,000
City of Moncton	10 1/2	November 23, 1996	700,000
			$1,194,000

(1) Serial type issues with annual redemption.

CITY OF MONCTON

CITY HALL DEVELOPMENT FUND

BALANCE SHEET

DECEMBER 31, 1989

ASSETS	1989	1988
Cash and term deposits	$1,210,403	$1,109,722
Receivable from City of Moncton revenue fund	42	
Land	30,000	30,000
	$1,240,445	$1,139,722
LIABILITIES		
Payable to City of Moncton revenue fund	$	$ 19,513
EQUITY		
Equity, beginning of year	1,120,209	1,660,415
Add: Interest earned	120,236	109,794
Deduct: Purchase Magnetic Hill Inn		(650,000)
Equity, end of year	1,240,445	1,120,209
	$1,240,445	$1,139,722

ON BEHALF OF THE COUNCIL

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CITY OF MONCTON

RESERVE FOR LAND DEVELOPMENT

BALANCE SHEET

DECEMBER 31, 1989

ASSETS	1989	1988
Receivable from City of Moncton revenue fund	$849,014	$ 694,030
Land	62,500	62,500
	$911,514	$ 756,530
EQUITY		
Equity, beginning of year	$756,530	$ 761,621
Add:		
Interest earned	121,404	77,028
Cash received in lieu of land	33,580	121,681
Sale of land		57,700
	911,514	1,018,030
Less:		
Transfers for land purchases		(261,500)
Equity, end of year	$911,514	$ 756,530

This fund represents monies received relative to the subdivision of land and is to be expended at the direction of City Council for acquiring or developing land for public purposes. The $57,700 received in 1988 from the sale of land on Joyce Avenue was designated for the construction of a playground facility in that area. There is also approximately $800,000 more of the equity balance which has been identified to fund previous years' capital projects which is to be transferred to the capital fund once the appropriate resolution is approved by Council.

ON BEHALF OF THE COUNCIL

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CITY OF MONCTON

SNOW REMOVAL RESERVE TRUST FUND

BALANCE SHEET

DECEMBER 31, 1989

ASSETS	1989	1988
Receivable from City of Moncton revenue fund	$935,681	$825,719

EQUITY

Equity, beginning of year	$825,719	$746,263
Add: Interest earned	109,962	79,456
Equity, end of year	$935,681	$825,719

This fund represents monies appropriated for snow removal purposes and will be expended at the direction of Council.

ON BEHALF OF THE COUNCIL

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CITY OF MONCTON

MACHINERY AND EQUIPMENT DEPRECIATION TRUST FUND

BALANCE SHEET

DECEMBER 31, 1989

ASSETS	1989	1988
Receivable from City of Moncton revenue fund	$1,420,707	$1,197,202
EQUITY		
Equity, beginning of year	$1,197,202	$1,286,979
Less: Equipment purchases	(499,001)	(680,979)
Bus purchases		(200,000)
Add: Appropriations		
Maritime Coliseum Agrena Commission	50,000	
Codiac Transit Commission	30,000	30,000
City revenue fund	500,000	666,400
Proceeds from disposal of equipment	28,245	10,646
Interest earned	114,261	84,156
Equity, end of year	$1,420,707	$1,197,202

This fund was established in 1982 for purposes of providing funds for replacement of machinery and equipment.

ON BEHALF OF THE COUNCIL

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CITY OF MONCTON

REVENUE FUND

REVENUE DETAIL

YEAR ENDED DECEMBER 31, 1989

	1989		1988
	Budget	Actual	Actual
Other revenue from own sources			
Licenses and permits	$ 447,950	$ 483,619	$ 635,451
Fines and fees	485,500	538,181	546,092
Rent	113,883	129,121	129,160
Miscellaneous	21,200	46,465	29,112
Recovery from utility fund	111,624	111,624	105,500
Protection	171,500	191,266	188,549
Transportation	659,130	658,063	597,175
Environmental	127,000	134,762	106,796
Arenas	431,780	467,966	437,269
Magnetic Hill Zoo	200,000	221,993	207,431
Magnetic Hill Park	70,000	38,709	81,690
Other recreational	132,480	137,674	131,484
	$2,972,047	$3,159,443	$3,195,709

CITY OF MONCTON
REVENUE FUND
EXPENDITURE DETAIL
YEAR ENDED DECEMBER 31, 1989

	1989		1988
	Budget	Actual	Actual
General government			
Mayor and councillors	$ 330,048	$ 323,083	$ 296,941
City clerk and city manager	443,540	450,960	399,713
Finance and accounting department	1,247,351	1,226,091	1,078,183
Personnel	397,401	437,799	112,398
Solicitors' department	257,008	322,174	231,251
City Hall building	590,548	587,403	652,279
Civic relations	575,590	578,068	514,532
Other general administration	773,953	755,190	1,022,839
Grants	585,871	627,594	765,012
	5,201,310	5,308,362	5,073,148
Protection			
Police	8,129,462	7,961,453	7,562,959
Fire	6,432,120	6,268,296	5,741,150
Water costs for fire protection	1,567,000	1,427,739	1,494,965
Building inspection	386,807	373,468	361,974
Other protective services	252,726	247,062	203,273
	16,768,115	16,278,018	15,364,321
Transportation			
Engineering - administrative	1,341,100	1,346,473	1,160,202
Roads, streets and equipment	3,996,544	4,251,974	4,101,894
Street lighting	1,251,180	1,153,534	1,189,823
Traffic and parking	676,203	684,534	538,902
Public transit subsidy	902,963	902,963	822,847
	8,167,990	8,339,478	7,813,668
Environmental health and development			
Garbage and waste collection	1,316,567	1,270,528	1,288,084
Planning commission grant	152,602	152,602	149,546
Industrial development grant	485,000	485,000	410,000
R.R.A.P. program	85,938	83,801	80,560
	2,040,107	1,991,931	1,928,190

CITY OF MONCTON

REVENUE FUND

EXPENDITURE DETAIL

YEAR ENDED DECEMBER 31, 1989

	1989		1988
	Budget	Actual	Actual
Recreation and culture			
Parks and playgrounds	$ 4,114,563	$ 3,898,302	$ 3,620,386
Museum	298,699	310,213	296,390
Library	300,000	287,214	134,051
Magnetic Hill Zoo	452,049	503,392	436,969
Magnetic Hill park	317,923	457,665	213,484
Special events	41,730	39,056	38,560
Coliseum - Agrena subsidy	1,128,318	1,128,318	1,223,214
Arenas	483,997	548,753	581,032
	7,137,279	7,172,913	6,544,086
Fiscal			
Interest on short term borrowing (investing) - net	131,000	517,556	(78,948)
Interest on long term debt	4,045,327	3,851,250	4,118,300
Principal instalments on long term debt	3,677,270	3,677,270	3,441,115
Sinking fund appropriations	98,010	98,010	98,010
	7,951,607	8,144,086	7,578,477
Transfers to capital fund		175,000	493,000
Total expenditures	$47,266,408	$47,409,788	$44,794,890

CITY OF MONCTON

WATER AND LIGHT DEPARTMENT

FINANCIAL STATEMENTS

DECEMBER 31, 1989

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AUDITORS' REPORT

His Worship the Mayor
and Members of City Council

We have examined the revenue fund and the capital fund balance sheets of the City of Moncton Water and Light Department as at December 31, 1989, the statement of revenue, expenditure and surplus, the statement of investment in capital assets and the statement of capital financing for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly, included such tests and other procedures as we considered necessary in the circumstances.

In our opinion these financial statements present fairly the financial position of the City of Moncton Water and Light Department as at December 31, 1989 and the results of its operations for the year then ended in accordance with generally accepted municipal accounting principles applied on a basis consistent with that of the preceding year.

Doane Raymond

Moncton, New Brunswick
April 25, 1990

Chartered Accountants

CITY OF MONCTON

WATER AND LIGHT DEPARTMENT

REVENUE FUND

STATEMENT OF REVENUE, EXPENDITURE AND SURPLUS

YEAR ENDED DECEMBER 31, 1989

	1989		1988
	Budget	Actual	Actual
Revenue			
Water user charges	$ 4,185,000	$ 4,403,087	$4,197,702
City fire protection charges	1,567,000	1,427,739	1,494,965
Sewer user charges	1,777,000	1,796,947	1,767,545
Sewer treatment levy	2,341,750	2,370,404	2,084,068
Interest	95,000	105,177	98,126
Other	7,500	7,500	7,500
	9,973,250	10,110,854	9,649,906
Expenditures			
Administration	711,095	712,783	641,277
Source of supply	99,556	101,497	72,789
Power and pumping	508,157	364,398	409,757
Purification	200,925	134,188	121,433
Transmission and distribution	1,885,290	1,742,977	1,733,167
Maintenance of sewers	750,250	630,753	567,396
Sewer treatment charge	2,306,694	2,306,694	1,777,950
Amortization of deferred sewer treatment charges		470,951	
Fiscal	3,828,202	3,594,945	3,734,190
	10,290,169	10,059,186	9,057,959
Excess revenue over expenditure (expenditure over revenue)	$(316,919)	51,668	591,947
Surplus (deficit), beginning of year		419,726	(172,221)
Surplus, end of year		$ 471,394	$ 419,726

CITY OF MONCTON

WATER AND LIGHT DEPARTMENT

REVENUE FUND

BALANCE SHEET

DECEMBER 31, 1989

ASSETS	1989	1988
Cash	$ 450	$ 450
Receivables	1,017,619	869,659
Receivable from Water and Light capital fund		433,889
Inventory	171,012	184,198
Deferred sewer [illegible]r costs (Note 2)	1,883,624	2,306,694
Unamortized debenture discounts	146,828	153,335
	$3,219,533	$3,948,225

LIABILITIES AND SURPLUS

Payables and accruals	$ 270,341	$ 327,750
Payable to Treasury current fund	775,635	2,958,221
Payable to Water and Light capital fund	1,465,622	
Holdbacks payable	236,541	242,528
Surplus	471,394	419,726
	$3,219,533	$3,948,225

ON BEHALF OF THE COUNCIL

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CITY OF MONCTON

WATER AND LIGHT DEPARTMENT

CAPITAL FUND

BALANCE SHEET

DECEMBER 31, 1989

ASSETS	1989	1988
Property, plant and equipment (Note 3)	$54,912,130	$53,398,617
Receivable from Water and Light revenue fund	1,465,622	
	$56,377,752	$53,398,617

LIABILITIES AND EQUITY

Payable to Water and Light revenue fund	$	$ 433,889
Long term debt (Note 4)	19,588,193	20,111,724
	19,588,193	20,545,613
Investment in capital assets (Page 27)	36,789,559	32,853,004
	$56,377,752	$53,398,617

ON BEHALF OF THE COUNCIL

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CITY OF MONCTON

WATER AND LIGHT DEPARTMENT

STATEMENT OF INVESTMENT IN CAPITAL ASSETS

YEAR ENDED DECEMBER 31, 1989

	1989			1988
	Water	Sanitary Sewer	Total	Total
Balance, beginning of year	$23,203,008	$ 9,649,996	$32,853,004	$31,463,621
Add:				
Principal debt matured	1,131,932	841,599	1,973,531	1,849,108
Sinking fund debt matured	1,500,000		1,500,000	
Contributions from the Federal/Provincial governments	130,419	327,285	457,704	262,568
Local improvement recoveries	2,729	2,591	5,320	172,707
Resurgo's contribution re transfer of assets and related Federal/ Provincial funding				80,000
Deduct:				
1987 maturity refinanced				(975,000)
Balance, end of year	$25,968,088	$10,821,471	$36,789,559	$32,853,004

CITY OF MONCTON

WATER AND LIGHT DEPARTMENT

STATEMENT OF CAPITAL FINANCING

YEAR ENDED DECEMBER 31, 1989

	1989	1988
Funds derived from		
Capital contributions from other governments	$ 457,704	$ 262,568
Debentures issued	2,950,000	975,000
Appropriation from revenue fund for debt retirement	1,973,531	1,849,108
Allocation from sinking fund reserve	1,500,000	
Local improvement recoveries	5,320	172,707
Federal/Provincial funding re transfer from Resurgo Inc.		80,000
Decrease in borrowings by the revenue fund		1,240,218
	$6,886,555	$4,579,601
Funds applied to		
Purchase and construction of capital assets		
Water system	$ 654,740	$1,219,087
Sanitary sewer system	858,773	536,406
	1,513,513	1,755,493
Redemption of long term debt	1,973,531	1,849,108
Maturity of sinking fund issue	1,500,000	
Refinancing of 1987 maturity		975,000
Increase in borrowings by the revenue fund	1,899,511	
	$6,886,555	$4,579,601

CITY OF MONCTON

WATER AND LIGHT DEPARTMENT

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 1989

1. Significant accounting policies

(a) Revenue recognition

Major sources of revenue are recorded on an accrual basis.

(b) Expenditure recognition

Expenditures are recorded on an accrual basis. Outstanding commitments for goods and services relating to the current year are accrued at the balance sheet date.

Principal and interest repayments of long term debt are recorded as expenditures when repaid on specified dates.

Interest on long term debt is recorded on an accrual basis at year end.

Debenture discounts are written off on a straight line basis over the terms of the various issues.

(c) Inventories

Inventories are valued at the lower of cost and net realizable value.

(d) Fixed assets

Capital assets and projects in progress are recorded at cost. The City does not record depreciation on its property and equipment consistent with Municipal guidelines. Funds received through capital assistance programs, cost sharing arrangements or loan forgiveness are treated as additions to investment in capital assets, in addition to the principal repayment of long term debt.

(e) Financing

(i) It is a policy of the City to provide interim financing for annual water and sanitary sewer capital construction. The associated interest costs are recorded as expenditures in the Water and Light revenue fund for these projects.

(ii) The City has taken advantage of a Community Services Contribution Program that provided for an annual simple interest grant relating to bonds issued for eligible sanitary sewer projects. This annual simple interest grant is received over the life of the issue and serves to reduce debt charges in the revenue fund annually. In 1989 two such simple interest grants were received totalling $505,912 which relate to two separate bond issues.

CITY OF MONCTON

WATER AND LIGHT DEPARTMENT

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 1989

1. Significant accounting policies (continued)

(f) Prior year's operating results

As of January 1, 1987 the water accumulated surplus of $894,575 and the sanitary sewer accumulated deficit of $891,810 were combined into one account for future reporting purposes. The Utility has been making charges to its users so as to produce an balanced budget over a three year period ended December 31, 1989. Commencing in 1990 the City has decided to set utility rates each year and to prepare budgets on an annual basis as opposed to preparing them on a triennial basis which has been the practice in prior periods.

2. Deferred sewer user costs

The deferred sewer user costs represents Moncton's share of costs incurred by the Greater Moncton Sewerage Commission for 1989 of $2,354,575 less $470,951 amortized to current operations in 1989. Council has adopted the policy of amortizing the $2,354,575 over a five year period on a straight line basis. The accumulated amortization at December 31, 1989 of $470,951 represents the first year's allocation.

3. Property, plant and equipment, at cost

	1989			1988
	Fully Funded	Debentures issued in Advance	Total	Total
Fixed assets				
Water system	$37,110,443	$(436,179)	$36,674,264	$36,019,524
Sanitary sewer system	19,267,309	(1,029,443)	18,237,866	17,379,093
	$56,377,752	$(1,465,622)	$54,912,130	$53,398,617

CITY OF MONCTON

WATER AND LIGHT DEPARTMENT

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 1989

4. Long term debt

	1989			1988
	Water	Sanitary Sewer	Total	Total
Debenture debt				
Serials and certificates	$ 8,659,055	$8,224,117	$16,883,172	$15,752,102
Sinking fund				1,500,000
	8,659,055	8,224,117	16,883,172	17,252,102
Other				
Municipal Development and Loan Board	1,939,938		1,939,938	2,008,884
Central Mortgage and Housing Corporation		174,332	174,332	207,520
Department of Regional and Industrial Expansion	385,477	205,274	590,751	643,218
	$10,984,470	$8,603,723	$19,588,193	$20,111,724

Principal payments required to service existing debt during the next five years are as follows:

1990	$2,207,328	1991	$1,985,110	1992	$1,977,428
1993	$2,141,265	1994	$2,194,003		

The borrowing authorization and liability to debenture holders is vested with the City of Moncton and the liability is assumed by the Water and Light Department.